

### § 510.3

behalf of such shipper, consignee, seller, or purchaser of property, who employs the services of a licensee to facilitate the ocean transportation of such property.

(p) *Reduced forwarding fees* means charges to a principal for forwarding services that are below the licensee's usual charges for such services.

(q) *Shipment* means all of the cargo carried under the terms of a single bill of lading.

(r) *Shipper* means an owner or person for whose account the ocean transportation of cargo is provided or the person to whom delivery is to be made.

(s) *Small shipment* refers to a single shipment sent by one consignor to one consignee on one bill of lading which does not exceed the underlying common carrier's minimum charge rule.

(t) *Special contract* is a contract for freight forwarding services which provides for a periodic lump sum fee.

(u) *United States* includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and all other United States territories and possessions.

#### § 510.3 License; when required.

Except as otherwise provided in this part, a person must hold a valid ocean freight forwarder license in order to perform freight forwarding services, and, except as provided in § 510.4, no person shall perform, or hold out to perform, such services unless such person holds a valid license issued by the Commission to engage in such business. A separate license is required for each branch office that is separately incorporated.

#### § 510.4 License; when not required.

A license is not required in the following circumstances:

(a) *Shipper*. Any person whose primary business is the sale of merchandise may, without a license, dispatch and perform freight forwarding services on behalf of its own shipments, or on behalf of shipments or consolidated shipments of a parent, subsidiary, affiliate, or associated company. Such person shall not receive compensation from the common carrier for any serv-

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ices rendered in connection with such shipments.

(b) *Employee or branch office of licensed forwarder*. An individual employee or unincorporated branch office of a licensed ocean freight forwarder is not required to be licensed in order to act solely for such licensee, but each licensed ocean freight forwarder will be held strictly responsible hereunder for the acts or omissions of any of its employees rendered in connection with the conduct of the business.

(c) *Common carrier*. A common carrier, or agent thereof, may perform ocean freight forwarding services without a license only with respect to cargo carried under such carrier's own bill of lading. Charges for such forwarding services shall be assessed in conformance with the carrier's published tariffs on file with the Commission.

(d) *Ocean freight brokers*. An ocean freight broker is not required to be licensed to perform those services specified in § 510.2(m).

### Subpart B—Eligibility and Procedure for Licensing; Bond Requirements

#### § 510.11 Basic requirements for licensing; eligibility.

(a) *Necessary qualifications*. To be eligible for an ocean freight forwarder's license, the applicant must demonstrate to the Commission that:

(1) It possesses the necessary experience, that is, its qualifying individual has a minimum of three (3) years experience in ocean freight forwarding duties in the United States, and the necessary character to render forwarding services; and

(2) It has obtained and filed with the Commission a valid surety bond in conformance with § 510.14.

(b) *Qualifying individual*. The following individuals must qualify the applicant for a license:

(1) *Sole proprietorship*— The applicant sole proprietor.

(2) *Partnership*— At least one of the active managing partners, but all partners must execute the application.

(3) *Corporation*— At least one of the active corporate officers.

(c) *Affiliates of forwarders*. An independently qualified applicant may be